

**CHAPTER 10. CASH MANAGEMENT REVIEWS**

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**CHAPTER 10. CASH MANAGEMENT REVIEWS****10.1 OVERVIEW.**

- 10.1.1 This chapter provides National Aeronautics and Space Administration's (NASA) policy for cash management reviews. These reviews are intended to provide assurance of compliance with Federal Government cash management regulations and to provide Center and the NASA Shared Services Center (NSSC) management with information to facilitate improvements in cash management operations.

**10.2 POLICY.**

- 10.2.1 Annual reviews shall be conducted which encompass all areas of the cash management function, at a level that will support a decision by the reviewer as to whether or not the function is being administered in accordance with the policies and procedures set forth in relevant laws and regulations and the Financial Management Requirements (FMR). The review will:
- A. Determine if NASA is collecting and disbursing funds by Electronic Funds Transfer (EFT).
  - B. Determine if NASA is billing, collecting, and depositing funds in a timely manner.
  - C. Determine if NASA is making disbursements according to 5 CFR Part 1315, "Prompt Payment."
  - D. Document NASA cash-flows to include all collections and disbursements.
  - E. Determine whether an opportunity exists to implement a better mechanism or process, or upgrade an existing mechanism or process.
- 10.2.2 The NSSC's reviewers shall be independent of the activity under review. Reviewers shall:
- A. Conduct interviews with cognizant personnel to ensure that policies and procedures are readily accessible. Ascertain that adequate training has been provided to ensure that a level of competency exists to properly administer the function.
  - B. Examine NSSC's internal control policies and actual practices in the various cash management functions to confirm that controls are effective and processes are efficient. This examination shall include, at a minimum, assessments as to whether:
    - 1. Duties are appropriately segregated, including obligating funds and processing and certifying payments.

2. The level of employees' access to computer systems is appropriate in relation to their assigned duties.
  3. Periodic reconciliations of cash receipt logs to deposits are performed to minimize the risk of cash receipts being misdirected or misappropriated and whether the reconciliations are performed by someone without access to the receipts at any point in the process.
  4. Check receipts are restrictively endorsed as soon as they are received.
- C. Sample bills rendered at various times during the period covered by the review to ensure the requirements of FMR Volume 15, Chapter 4, "Billings and Collections" were met.
- D. Sample delinquent accounts receivable at various times during the period covered by the review to determine whether policies required by FMR Volume 15, Chapter 4, "Billings and Collections," are met. Determine whether the Centers and NSSC are referring delinquent debts to the Department of the Treasury on a timely basis.
- E. Sample bank deposits made at various times during the period covered by the review to ascertain whether deposits meet the requirements of FMR Volume 15, Chapter 5, "Deposits."
- F. Statistically sample invoice payments to determine if invoices were paid in a timely manner. Include in the report if the extent and dollar amount the sample indicates that invoices were paid on time and the extent and dollar amount the sample indicates of interest payments made due to late payment.
- G. Review a sample of contract financing payments.
- H. Assess NSSC's compliance with EFT provisions of the Debt Collection Improvement Act of 1996.

### 10.3 AUTHORITIES AND REFERENCES.

10.3.1 5 CFR Part 1315, "Prompt Payment"

10.3.2 Treasury Financial Manual. Volume I, 6-8000, "Cash Management"

### 10.4 ROLES AND RESPONSIBILITIES.

10.4.1 NSSC financial managers shall:

- A. Ensure cash management reviews are performed annually.
- B. Supply an evaluation of the reviews to the Headquarters Office of Chief Financial Officer (OCFO) and keep a copy of review.

- C. Review the OCFO Quality Assurance Division internal control reviews and take the following actions.
  - 1. Provide comments supported by reason and evidence as to agreement or disagreement of the finding to the Agency CFO and Deputy CFO.
  - 2. List actions and estimated effective date of any corrections or improvements in the report to the Agency CFO and Deputy CFO and report to the Agency CFO and Deputy CFO when corrections or improvements are implemented.